

# 2011 Property Tax Report

## Clinton County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Clinton County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Clinton County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	6,960	90.4%	198	2.6%
No Change	306	4.0%	35	0.5%
Lower Tax Bill	429	5.6%	7,462	97.0%
<b>Average Change in Tax Bill</b>	<b>17.1%</b>		<b>-39.2%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	3,033	39.4%	109	1.4%
10% to 19%	2,549	33.1%	33	0.4%
1% to 9%	1,378	17.9%	56	0.7%
0%	306	4.0%	35	0.5%
-1% to -9%	195	2.5%	152	2.0%
-10% to -19%	68	0.9%	418	5.4%
-20% to -29%	41	0.5%	914	11.9%
-30% to -39%	24	0.3%	1,620	21.1%
-40% to -49%	23	0.3%	2,039	26.5%
-50% to -59%	20	0.3%	1,202	15.6%
-60% to -69%	16	0.2%	428	5.6%
-70% to -79%	9	0.1%	194	2.5%
-80% to -89%	8	0.1%	148	1.9%
-90% to -99%	3	0.0%	99	1.3%
-100%	22	0.3%	248	3.2%
<b>Total</b>	<b>7,695</b>	<b>100.0%</b>	<b>7,695</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★★  
 LOSS OF STATE HOMESTEAD  
 CREDIT, LOWER LOCAL  
 HOMESTEAD CREDITS, AND  
 HIGHER TAX RATES RAISE  
 HOMEOWNER TAX BILLS  
 ★★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 17.1% on average in Clinton County in 2011. This was much more than the state average of 4.4%. Clinton County homestead taxes were still 39.2% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.9% in Clinton County in 2010. In addition, Clinton County's local homestead credits declined in 2011, due to a drop in the local income tax revenues that fund it. An increase in tax rates in some taxing districts also contributed to the increase. The number of homeowners receiving tax cap credits increased from 0.7% of homeowners to 4.9% of homeowners, which kept the tax bill increase from being higher.

#### Tax Rates

Property tax rates in most Clinton County tax districts declined; but the average tax rate increased by 4.6%, mostly due to an increase in the Frankfort School Corporation levy. A relatively large levy increase exceeded a small increase in net assessed value. Levies in Clinton County increased by 6.2%. The biggest levy increases were for the Frankfort School Corporation's debt service and capital projects funds, and Frankfort City's general and highway funds. Clinton County's total net assessed value increased 1.1% in 2011. (The certified net AV used to compute tax rates rose by 1.5%.) Homestead net assessments decreased by 1.1%, and other residential net assessments fell 1.0%. Business and agricultural net assessments increased by 2.8% and 2.1%, respectively.

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*INCREASED TAX BILLS FOR BUSINESS*

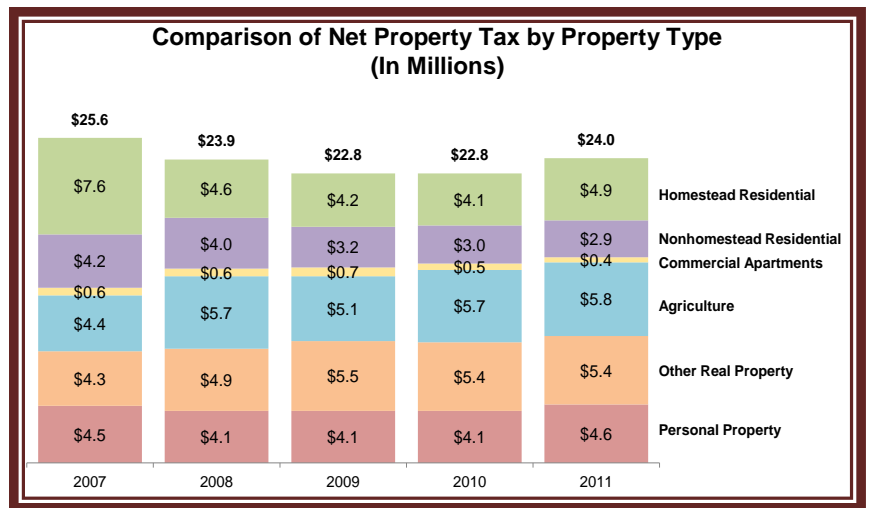
*PROPERTY; DECREASES FOR OTHER*

*RESIDENTIAL*

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 5.3% in Clinton County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 3.9%. Tax bills for commercial apartments fell 7.4%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 5.5%. Agricultural tax bills rose 1.4%, due mainly to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED*

*IN 2011 AS A RESULT OF TAX*

*RATE INCREASES*

★★★★★★

Total tax cap credit losses in Clinton County were \$3.3 million, or 10.9% of the levy. This was more than the state average loss rate of 9.2% and much more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Clinton County's tax rates were above the state median.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business category. The largest percentage losses were in Frankfort City, Frankfort School Corporation, Frankfort Library District, Colfax Town and Center Township. Tax rates were well above \$3 per \$100 assessed value in taxing districts that included these units. The largest dollar losses were in Frankfort City and Frankfort School Corporation.

Clinton County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$21,394	\$1,329,481	\$887,074	\$6,637	\$2,244,586	7.9%
2011 Tax Cap Credits	117,451	1,802,872	1,354,421	33,063	3,307,806	10.9%
<b>Change</b>	<b>\$96,056</b>	<b>\$473,391</b>	<b>\$467,347</b>	<b>\$26,426</b>	<b>\$1,063,220</b>	<b>3.1%</b>

Tax cap credits rose substantially in Clinton County in 2011, by \$1.1 million, or 47%. The

additional credits represent an added loss of 3.1% of the total tax levy. Most of the increase in tax cap credits was in the 2% and 3% tax cap categories, which cover nonhomestead residential/farmland and business property. Tax rate increases in several of the larger taxing districts accounted for this increase in credits.

### The Effect of Recession

The 2009 recession appears to have decreased Clinton County gross assessed values for pay-2011. Business property values and construction activity appear to have fallen in Clinton County in 2009, but decreases in business deductions meant that business net assessed value increased. Net assessments for homesteads and other residential property decreased. Had gross assessments grown more rapidly, tax rates would have increased less, and tax cap credit revenue losses would have been smaller. Agricultural assessments offset this decline in assessed value. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. This credit reduction contributed to a rise in homestead tax bills.

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*2009 RECESSION SLOWED ASSESSED*

*VALUE GROWTH AND REDUCED*

*HOMESTEAD CREDITS*

★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$938,565,400	\$938,951,411	0.0%	\$365,674,928	\$361,501,697	-1.1%
Other Residential	151,458,500	149,727,100	-1.1%	146,644,062	145,144,706	-1.0%
Ag Business/Land	386,187,600	394,223,200	2.1%	385,179,480	393,304,960	2.1%
Business Real/Personal	641,030,081	625,262,237	-2.5%	449,412,951	461,949,650	2.8%
<b>Total</b>	<b>\$2,117,241,581</b>	<b>\$2,108,163,948</b>	<b>-0.4%</b>	<b>\$1,346,911,421</b>	<b>\$1,361,901,013</b>	<b>1.1%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Clinton County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	36,314,819	39,367,312	27,590,913	28,500,062	30,270,282	8.4%	-29.9%	3.3%	6.2%
State Unit	35,046	37,395	0	0	0	6.7%	-100.0%		
Clinton County	6,445,665	6,464,597	6,364,215	6,347,643	6,534,758	0.3%	-1.6%	-0.3%	2.9%
Center Township	299,715	312,984	323,043	330,647	338,468	4.4%	3.2%	2.4%	2.4%
Forest Township	53,191	56,935	59,355	59,682	22,784	7.0%	4.3%	0.6%	-61.8%
Jackson Township	31,169	33,865	35,375	36,379	27,521	8.6%	4.5%	2.8%	-24.3%
Johnson Township	71,178	75,130	78,605	79,243	48,348	5.6%	4.6%	0.8%	-39.0%
Kirklin Township	42,334	44,794	47,013	46,998	72,843	5.8%	5.0%	0.0%	55.0%
Madison Township	44,491	48,483	50,742	50,438	51,529	9.0%	4.7%	-0.6%	2.2%
Michigan Township	51,360	56,155	83,895	79,731	193,444	9.3%	49.4%	-5.0%	142.6%
Owen Township	40,516	42,423	54,620	52,517	44,972	4.7%	28.8%	-3.9%	-14.4%
Perry Township	51,069	92,105	69,541	58,482	86,446	80.4%	-24.5%	-15.9%	47.8%
Ross Township	54,876	58,191	59,453	60,304	57,215	6.0%	2.2%	1.4%	-5.1%
Sugar Creek Township	21,054	21,929	22,838	23,233	12,682	4.2%	4.1%	1.7%	-45.4%
Union Township	30,369	32,470	34,336	34,884	32,109	6.9%	5.7%	1.6%	-8.0%
Warren Township	23,840	26,340	27,746	28,166	15,192	10.5%	5.3%	1.5%	-46.1%
Washington Township	29,246	30,378	31,867	32,582	33,364	3.9%	4.9%	2.2%	2.4%
Frankfort Civil City	5,441,368	5,511,010	5,380,460	5,609,915	5,928,954	1.3%	-2.4%	4.3%	5.7%
Colfax Civil Town	172,341	191,571	199,855	206,285	211,692	11.2%	4.3%	3.2%	2.6%
Kirklin Civil Town	112,809	113,858	121,240	121,266	124,322	0.9%	6.5%	0.0%	2.5%
Michigantown Civil Town	49,570	54,756	55,977	56,981	58,335	10.5%	2.2%	1.8%	2.4%
Mulberry Civil Town	146,836	155,846	160,714	164,694	164,193	6.1%	3.1%	2.5%	-0.3%
Rossville Civil Town	174,559	175,827	186,254	188,729	193,413	0.7%	5.9%	1.3%	2.5%
Clinton Central School Corp	3,831,521	3,983,347	1,469,660	1,968,381	1,916,673	4.0%	-63.1%	33.9%	-2.6%
Clinton Prairie School Corp	5,260,699	7,114,204	3,238,288	3,231,190	3,207,547	35.2%	-54.5%	-0.2%	-0.7%
Frankfort Community School Corp	10,015,300	10,379,593	6,368,418	6,647,638	7,938,556	3.6%	-38.6%	4.4%	19.4%
Rossville Consolidated School Corp	2,263,418	2,617,020	1,399,846	1,290,488	1,187,735	15.6%	-46.5%	-7.8%	-8.0%
Colfax-Perry Township Public Library	137,775	138,855	143,640	148,499	141,505	0.8%	3.4%	3.4%	-4.7%
Frankfort Community Public Library	677,504	701,380	728,236	748,959	768,676	3.5%	3.8%	2.8%	2.6%
Kirklin Public Library	90,749	158,683	129,937	112,644	153,278	74.9%	-18.1%	-13.3%	36.1%
Clinton County Contractual Public Library	477,059	496,153	516,491	530,010	543,443	4.0%	4.1%	2.6%	2.5%
Frankfort Airport	103,145	105,198	112,386	115,791	115,208	2.0%	6.8%	3.0%	-0.5%
Wildcat Creek Solid Waste Mgt Dist	35,047	35,837	36,867	37,663	45,077	2.3%	2.9%	2.2%	19.7%

# Clinton County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
12001	Center Township	2.1542	--	--	25.9691%	--	--	9.1044%	1.3986
12003	Forest Township	1.2960	--	--	25.9691%	--	--	9.1044%	0.8414
12004	Jackson Township	1.5320	--	--	25.9691%	--	--	9.1044%	0.9947
12005	Johnson Township	1.3487	--	--	25.9691%	--	--	9.1044%	0.8757
12006	Kirklin Township	1.4166	--	--	25.9691%	--	--	9.1044%	0.9197
12007	Kirlin Town	2.3074	--	--	25.9691%	--	--	9.1044%	1.4981
12008	Madison Township	1.5889	--	--	25.9691%	--	--	9.1044%	1.0316
12009	Mulberry Town	2.2389	--	--	25.9691%	--	--	9.1044%	1.4536
12010	Michigan Township	1.2674	--	--	25.9691%	--	--	9.1044%	0.8229
12011	Michigantown Town	1.7686	--	--	25.9691%	--	--	9.1044%	1.1483
12012	Owen Township	1.4463	--	--	25.9691%	--	--	9.1044%	0.9390
12013	Perry Township	1.7961	--	--	25.9691%	--	--	9.1044%	1.1661
12014	Colfax Town	3.8361	--	--	25.9691%	--	--	9.1044%	2.4906
12015	Ross Township	1.4206	--	--	25.9691%	--	--	9.1044%	0.9223
12016	Rossville Town	1.9406	--	--	25.9691%	--	--	9.1044%	1.2600
12017	Sugar Creek Township	1.2425	--	--	25.9691%	--	--	9.1044%	0.8067
12018	Union Township	2.1209	--	--	25.9691%	--	--	9.1044%	1.3770
12019	Warren Township	1.2738	--	--	25.9691%	--	--	9.1044%	0.8270
12020	Washington Township	1.5241	--	--	25.9691%	--	--	9.1044%	0.9895
12021	Frankfort City	4.0945	--	--	25.9691%	--	--	9.1044%	2.6584

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Clinton County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	117,451	1,802,872	1,354,421	33,063	3,307,806	30,270,282	10.9%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	117,451	1,802,872	1,354,421	33,063	3,307,806	30,270,282	10.9%
Clinton County	13,835	215,219	158,453	5,589	393,096	6,534,758	6.0%
Center Township	1,298	19,882	14,862	375	36,416	338,468	10.8%
Forest Township	0	0	0	9	9	22,784	0.0%
Jackson Township	0	0	0	46	46	27,521	0.2%
Johnson Township	0	0	0	27	27	48,348	0.1%
Kirklin Township	9	90	0	17	116	72,843	0.2%
Madison Township	5	39	0	21	65	51,529	0.1%
Michigan Township	0	0	0	95	95	193,444	0.0%
Owen Township	0	0	0	3	3	44,972	0.0%
Perry Township	4	591	276	43	914	86,446	1.1%
Ross Township	1	0	0	15	16	57,215	0.0%
Sugar Creek Township	0	0	0	6	6	12,682	0.0%
Union Township	12	484	0	43	539	32,109	1.7%
Warren Township	0	0	0	11	11	15,192	0.1%
Washington Township	0	0	0	10	10	33,364	0.0%
Frankfort Civil City	55,408	815,764	634,580	10,458	1,516,209	5,928,954	25.6%
Colfax Civil Town	226	31,013	14,470	22	45,731	211,692	21.6%
Kirklin Civil Town	174	1,766	0	82	2,022	124,322	1.6%
Michigantown Civil Town	0	0	0	30	30	58,335	0.1%
Mulberry Civil Town	37	888	0	248	1,173	164,193	0.7%
Rossville Civil Town	20	0	0	203	222	193,413	0.1%
Clinton Central School Corp	111	1,127	0	845	2,083	1,916,673	0.1%
Clinton Prairie School Corp	177	14,665	6,296	2,330	23,468	3,207,547	0.7%
Frankfort Community School Corp	40,899	620,187	465,486	10,495	1,137,067	7,938,556	14.3%
Rossville Consolidated School Corp	27	0	0	371	398	1,187,735	0.0%
Colfax-Perry Township Public Library	23	3,219	1,502	64	4,809	141,505	3.4%
Frankfort Community Public Library	3,960	60,052	45,072	1,016	110,100	768,676	14.3%
Kirklin Public Library	44	451	0	33	529	153,278	0.3%
Clinton County Contractual Public Library	9	99	0	312	421	543,443	0.1%
Frankfort Airport	1,077	15,851	12,331	203	29,462	115,208	25.6%
Wildcat Creek Solid Waste Mgt Dist	95	1,485	1,093	39	2,712	45,077	6.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.